

**Regulatory Agreement for
Nursing Homes**

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

2002-12-19 11:49:36
Cook County Recorder 86.00

210225A

Project Number: 071-43177		Mortgagee: CAMBRIDGE REALTY CAPITAL LTD. OF ILLINOIS, an Illinois corporation	
Amount of Mortgage Note \$7,098,500.00		Date: As of December 1, 2002	
Mortgage Recorded (State): Illinois	County: Cook	Date: December 19th 2002	
Document No. 0021412982			

This Agreement entered into this 1st day of December, 2002, between Alden-Princeton Rehabilitation and Health Care Center, Inc., an Illinois corporation, whose address is 4200 West Peterson Avenue, Suite 140, Chicago, Illinois 60646 (hereinafter referred to as Lessee), and the undersigned Federal Housing Commissioner (hereinafter called Commissioner).

In consideration of the consent of the Commissioner to the leasing of the aforesaid project by LaSalle Bank National Association, as Successor Trustee to American National Bank and Trust Company of Chicago, not personally, but solely as Trustee under Trust Agreement, dated as of December 1, 1988, and known as Trust No. 107042-03, Mortgagor, and in order to comply with the requirements of the National Housing Act and the Regulations adopted by the Commissioner pursuant thereto, Lessees agree for themselves, their successors, heirs and assigns, that in connection with the mortgaged property and the project operated thereon and so long as the Contract of Mortgage Insurance continues in effect, and during such further period of time as the Commissioner shall be the owner, holder or reinsurer of the mortgage, or during any time the Commissioner is obligated to insure a mortgage on the mortgaged property:

- (1) The Lease shall be subject and subordinate to the mortgage securing the note or other obligation endorsed for insurance by the Commissioner;
- (2) Lessee shall make payments under lease when due;
- (3) Payments by the lessee to the lessor shall be sufficient to pay all mortgage payments including payments to reserves for taxes, insurance, etc., payments to the Reserve for Replacements, and to take care of necessary maintenance. If at the end of any calendar year, or any fiscal year if the project operates on the basis of a fiscal year, payments under the lease have not been sufficient to take care of the above items, the lessor and lessee upon request in writing from the Commissioner shall renegotiate the amounts due under the lease so that amounts shall be sufficient to take care of such items; the Commissioner shall be furnished by the lessee, within thirty days after being called upon to do so, with a financial report in form satisfactory to the Commissioner covering the operations of the mortgaged property of the project;
- (4) The lessee shall not sublease the project or any part thereof without the consent of the Commissioner;
- (5) The lessee shall at all times maintain in full force and effect a license from the State or other licensing authority to operate the project as a nursing home, but the owner shall not be required to maintain such a license;
- (6) Lessee shall maintain in good repair and condition any parts of the project for the maintenance of which lessee is responsible under the terms of the lease;
- (7) Lessee shall not remodel, reconstruct, add to, or demolish any part of the mortgaged property or subtract from any real or personal property of the project;
- (8) Lessee shall not use the project for any purpose except the operation of a nursing home;
- (9) If a default is declared by the Commissioner under the provisions of Paragraph 10 of the Regulatory Agreement entered into by the lessor-mortgagor and the Commissioner on the 1st day of December, 2002, a copy of notice of default having been given to the lessee, the lessee will thereafter make all future payments under the lease to the Commissioner;
- (10) The lease may be cancelled upon thirty days written notice by the Commissioner given to the lessor and the lessee for a violation of any of the above provisions unless the violation is corrected to the satisfaction of the Commissioner within said thirty day period.
- (11) The Commissioner must approve any change in or transfer of ownership of the lessee entity, and any change in or transfer of the management operation, or control of the project.
- (12) The lessee shall not reduce or expand, allow to be reduced or expanded, or cause the expansion or reduction of the bed capacity of the project without the consent of the

X 430

32

UNOFFICIAL COPY

Property of Cook County Clerk's Office

Commissioner. Any change in the bed capacity shall violate this Regulatory Agreement.

- (13) The lessee shall not enter into any management contract involving the project, unless such shall contain a provision that, in the event of default under the Regulatory Agreement as recited in paragraph 9 (above) of this Agreement, the management agreement shall be subject to termination without penalty upon written request of the Commissioner. Upon such request the lessee shall immediately arrange to terminate the contract within a period of not more than thirty (30) days and shall make arrangements satisfactory to the Commissioner for continuing proper management of the project.
- (14) The mortgaged property, equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents, and other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and subject to examination and inspection at any reasonable time by the Commissioner or his duly authorized agents. Lessee shall keep copies of all written contracts or other instruments which affect the mortgaged property, all or any of which affect the mortgaged property, all or any of which may be subject to inspection and examination by the Commissioner or his duly authorized agents.
- (15) There shall be full compliance with the provisions of (1) any State or local laws prohibiting discrimination in housing on the basis of race, color, creed, or national

origin; and (2) with the Regulations of the Federal Housing Administration providing for non-discrimination and equal opportunity in housing. It is understood and agreed that failure or refusal to comply with any such provisions shall be a proper basis for the Commissioner to take any corrective action he may deem necessary including, but not limited to, the refusal to consent to a further renewal of the lease between the mortgagor-lessor and the lessee, the rejection of applications for FHA mortgage insurance and the refusal to enter into future contracts of any kind with which the lessee is identified; and further, if the lessee is a corporation or any other type of business association or organization which may fail or refuse to comply with the aforementioned provisions, the Commissioner shall have a similar right of corrective action (1) with respect to any individuals who are officers, directors, trustees, managers, partners, associates or principal stockholders of the lessee; and (2) with respect to any other type of business association, or organization with which the officers, directors, trustees, managers, partners, associates or principal stockholders of the lessee may be identified.

- (16) and (17) See inserts attached hereto and hereby made a part hereof.

For a description of the mortgaged property, see Exhibit A attached hereto and made a part hereof. A copy of the Lease is attached hereto and made a part hereof as Exhibit B.

**Instructions to Closing Attorney
Regulatory Agreement form HUD-92466-NHL
Nursing Homes Section 232**

~~This Regulatory Agreement must be executed by the lessee and the Commissioner and recorded before the Note is endorsed for insurance.~~

~~Note that there is space left on the back of the printed form for proper execution of the instrument.~~

~~The execution by the Commissioner and by the Lessee must be in accordance with the requirements of the jurisdiction where the project is located and must permit the instrument to be recorded.~~

~~The Agreement is to be executed in the name of the Commissioner. It will be signed for the Commissioner by the Field Office Manager or authorized agent who endorses the Note for insurance.~~

~~Recording must be at the expense of the mortgagor-owner or lessee.~~

~~Sufficient space is left on the back for the insertion of any necessary additional provisions. Any changes in the Agreement and any substantial additions shall receive the prior approval of the Assistant Secretary for Housing~~

~~A copy of the Commissioner approved lease shall be attached to this Regulatory Agreement. If the lease has already been filed or recorded, re-recording will be unnecessary, and a copy of the recorded lease (with recording data) will be attached following recording of the form HUD-92466-NHL.~~

~~The Agreement must be executed by the Lessee prior to execution by the Commissioner.~~

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY 21412934

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first hereinabove written.

LESSEE:

**ALDEN-PRINCETON
REHABILITATION AND HEALTH
CARE CENTER, INC.**, an Illinois
corporation

By: _____


Joan Carl, Vice President

Property of Cook County Clerk's Office

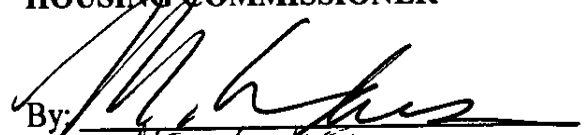
UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY 21412981

COMMISSIONER:

SECRETARY OF HOUSING AND
URBAN DEVELOPMENT ACTING BY
AND THROUGH THE FEDERAL
HOUSING COMMISSIONER

By: 
Name: Mary Anderson
Its: Authorized Agent

Property of Cook County Clerk's Office

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

21412934

21412934

**INSERT TO
REGULATORY AGREEMENT FOR NURSING HOMES
PRINCETON NURSING CENTER
CHICAGO, ILLINOIS
FHA PROJECT NO. 071-43177**

- (16) Lessee agrees that any and all future lessees and any sublessees, if and when approved, must execute a Regulatory Agreement in the form prescribed by the Commissioner.
- (17) If required by the Commissioner, Lessee agrees to submit annual financial statements to the Real Estate Assessment Center of the Department of Housing and Urban Development ("HUD") within sixty (60) days after the close of the fiscal year of the Project or to such other department or at such later date as may be prescribed in writing by HUD.

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

21412984

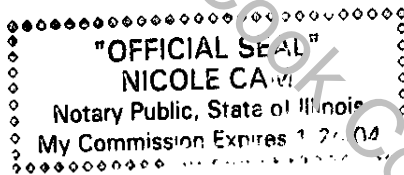
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, a Notary Public, in and for the County of Cook, State of Illinois, do hereby certify that JOAN CARL, personally known to me to be the same person whose name is subscribed to the foregoing instrument as Vice President of ALDEN-PRINCETON REHABILITATION AND HEALTH CARE CENTER, INC., an Illinois corporation, appeared before me in person and acknowledged and sworn that the statements set forth in the foregoing Agreement are true and correct, and that she signed the same as her free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Give under my hand and notarial seal this 17th day of December 2002.

Nancy
Notary Public

My Commission Expires: 1/24/04



UNOFFICIAL COPY

Property of Cook County Clerk's Office

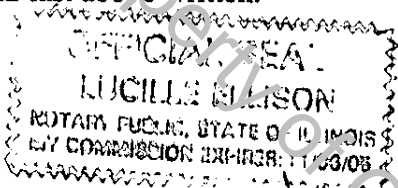
UNOFFICIAL COPY

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

21417934

On this 18 day of December, 2002, before me appeared May Anderson who, being duly sworn, did say that he/she is the duly appointed Authorized Agent and the person who executed the foregoing instrument by virtue of the authority vested in him/her and acknowledged the same to be his/her free and voluntary act and deed as Authorized Agent for and on behalf of the SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

IN TESTIMONY HEREOF, I have hereunto set my hand and affixed by Notarial Seal on the day and year last above written.



A large, cursive handwritten signature of Lucille Ellison.

Notary Public

My Commission Expires: 11/06/05

PROPOSED
Cook County Clerk's Office

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

EXHIBIT A

21412984

LEGAL DESCRIPTION

PARCEL A:

LOT 1 (EXCEPT THE EAST 66 FEET THEREOF); LOT 2 (EXCEPT THE EAST 66 FEET OF SAID LOT 2 LYING NORTH OF THE SOUTH 11 FEET THEREOF, ALSO EXCEPT THE EAST 14 FEET OF SAID SOUTH 11 FEET OF LOT 2); LOT 3 (EXCEPT THE SOUTH 40 FEET THEREOF, ALSO EXCEPT THE EAST 14 FEET OF SAID LOT 3 LYING NORTH OF THE SOUTH 40 FEET THEREOF); LOT 10 (EXCEPT THE SOUTH 50 FEET THEREOF) AND ALL OF LOTS 11 AND 12, ALL IN BLOCK 6 IN NORMAL SCHOOL SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO

THAT PART OF THE EAST HALF OF VACATED S. PRINCETON AVENUE LYING WEST OF THE WEST LINE OF LOTS 10, 11 AND 12 IN BLOCK 6 IN NORMAL SCHOOL SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 12 IN BLOCK 6 IN NORMAL SCHOOL SUBDIVISION AFOREMENTIONED, AND LYING NORTH OF THE EASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 70 FEET OF LOT 3 IN THE SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 7 IN NORMAL SCHOOL SUBDIVISION AFOREMENTIONED, IN COOK COUNTY, ILLINOIS.

PARCEL B:

THAT PART OF LOT 10 IN BLOCK 6 IN NORMAL SCHOOL SUBDIVISION, AFORESAID, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE WEST LINE OF SAID LOT 10, WHICH POINT IS 50 FEET NORTH OF THE SOUTHWEST CORNER OF SAID LOT 10; THENCE EAST PARALLEL TO THE SOUTH LINE OF SAID LOT 10, A DISTANCE OF 114 FEET; THENCE SOUTH PARALLEL TO THE WEST LINE OF SAID LOT 10, A DISTANCE OF 22 FEET; THENCE WEST PARALLEL TO THE WEST LINE OF SAID LOT 10, A DISTANCE OF 46 FEET; THENCE SOUTH PARALLEL TO THE WEST LINE OF SAID LOT 10, A DISTANCE OF 11 FEET; THENCE WEST PARALLEL TO THE SOUTH LINE OF SAID LOT 10, A DISTANCE OF 68 FEET TO THE WEST LINE OF SAID LOT 10; THENCE NORTH ON THE WEST LINE OF SAID LOT 10, A DISTANCE OF 33 FEET TO THE PLACE OF BEGINNING.

P.I.N.s 20-21-413-001
 20-21-413-002
 20-21-413-003
 20-21-413-004
 20-21-413-005

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

20-21-413-035

20-21-413-022

20-21-413-032

21412984

Address: 301 West 69th Street, Chicago, Illinois 60621

**This document prepared by and
after recording shall be returned to:**

Elizabeth H. Friedgut, Esq.
Piper Rudnick
203 North LaSalle Street
Suite 1800
Chicago, Illinois 60601

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

21412934

EXHIBIT B

NURSING HOME LEASE

Property of Cook County Clerk's Office

UNOFFICIAL COPY

Property of Cook County Clerk's Office

LEASE

THIS LEASE entered into the 1st day of September, 2000, between LASALLE BANK N.A., NOT PERSONALLY, BUT SOLELY AS TRUSTEE UNDER TRUST AGREEMENT DATED DECEMBER 1, 1988 AND KNOWN AS TRUST NO. 107042-03 (hereinafter called "Lessor") and ALDEN-PRINCETON REHABILITATION AND HEALTH CARE CENTER, INC., a corporation created and existing under the laws of the State of Illinois (hereinafter called "Lessee"),

WITNESSETH:

LESSOR for and in consideration of the covenants and agreements hereinafter mentioned to be kept and performed by the Lessee does hereby demise and lease unto the Lessee the following described property and premises: Legal description and common address attached hereto as Exhibit A, to be used for a nursing home, together with Lessor's easements and appurtenances in adjoining and adjacent land, highways, roads, streets, lanes, whether public or private, reasonably required for the installation, maintenance, operation and service of sewer, water, gas, power and other utility lines and for driveways and approaches to and from abutting highways for the use and benefit of the above-described parcel of real estate.

NOW THEREFORE, in consideration of the mutual promises herein contained, the parties do hereby agree as follows:

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

02/11/2014

1. DESCRIPTION. Lessor is the owner of the property at 255 West 69th Street Chicago, Illinois 60621 consisting of a 225 bed Rehabilitation and Nursing Care facility.

2. TERM. The term of this Lease shall commence on the 1st day of October, 2000, and shall end on the 31st day of September, 2010, unless terminated sooner due to the operation of any conditions in this Lease.

3. BASE RENT.

A. Lessee shall pay to Lessor as base rent for the premises in advance on the first day of each and every month the annual sum of Eight Hundred Seventy-nine Thousand Dollars (\$879,000.00) payable in monthly installments of Seventy-three Thousand Two Hundred Fifty Dollars (\$73,250.00) per month.

B. This lease is a triple net lease. Lessee shall pay and be responsible for additional costs to the base rent which shall include, but not be limited to, the following:

1. Real Estate Taxes
2. Insurance
3. Repairs and Maintenance

All of the aforesaid and any other payments shall be deemed as additional rent.

C. In no event shall the base rent in any year be less than an amount sufficient to pay all mortgage payments and personal property replacement reserves.

UNOFFICIAL COPY

Property of Cook County Clerk's Office

1. In keeping with the aforesaid provision, Lessee shall be allowed to submit to Lessor any expenses which it incurs that may be covered by the replacement reserve, and Lessor hereby agrees to reimburse Lessee for such expenses from the reserve fund if approved by HUD. In the event this lease is terminated for whatever reason or the property is sold by Lessor, the Lessee shall be reimbursed for all funds remaining in the replacement reserve account together with any interest earned thereon subject to any required HUD regulatory approvals.

D. All rent shall be payable at the Office of Alden Management Services, Inc. 4200 West Peterson Avenue, Chicago, Illinois 60646, or wherever Lessor shall from time to time direct.

(1) See paragraph 6, ESCROWS, for additional rent.

4. **OPTIONS TO RENEW LEASE.** Lessor hereby grants to Lessee an option to renew this Lease for two (2) additional ten (10) year periods. Lessee must exercise each of the options by written notice to Lessor no later than 180 days prior to the expiration of the current lease term. Rental for each option period is to be "Fair Market Value" as determined and negotiated by and between the parties hereto.

5. **FUEL, UTILITY SERVICES.** Lessee hereby agrees to pay from operating income for all fuel, electricity, heat or power, gas and water, or any other utility charges incurred upon the demised premises.

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

2024123134

6. **ESCROWS.** Lessee further agrees to deposit to escrow accounts as directed by Lessor any additional sums required for payment of Real Estate Taxes and premium for property insurance. Lessor agrees to promptly deposit said escrows with Mortgage Servicing Agent.

7. **COMPLIANCE WITH LAW.** Lessee covenants that in the use and occupation of the demised premises and the buildings structures, fixtures and improvements thereon, and the sidewalks adjacent thereto, together with vaults, streets, alleys and river banks, Lessee will comply with all authorities in any manner affecting the demises premises or any building, structures, fixtures and improvements thereon or the use thereof. Lessee further agrees that it will not permit any unlawful occupation, business or trade to be conducted on said premises, or any use to be made thereof contrary to any law, ordinance or regulation as aforesaid with respect thereto.

8. **REPAIRS, ALTERATIONS AND ADDITIONS.** The Lessee shall be further obliged to pay any expense from the operating income for repairing any improvements upon the demised premises, including scavenger, elevator maintenance, extermination and landscaping, and Lessee will, as its own expense, make all repairs and replacements necessary to maintain the same in a good, tenantable and wholesome condition, complying with all applicable laws, regulations, ordinances and requirements of all authorities having jurisdiction. Lessor, however, is not hereby relieved of responsibility of maintenance assumed by it pursuant to its mortgage and Regulatory Agreement. Lessee shall pay any costs relative to repair or replacement of

UNOFFICIAL COPY

Property of Cook County Clerk's Office

furniture and fixtures from the date of this Agreement, and Lessor agrees to allow Lessee use of any replacement reserves for same upon proper notice. Lessee shall not remodel, reconstruct, add to, or demolish any part of the mortgaged property, or subtract from any real estate or personal property.

9. **OTHER OPERATING EXPENSES.** Lessee agrees to pay from the Operating Income all other operational expenses of the Nursing Home.

10. **SURRENDER.** Lessee agrees that, upon termination by lapse of time or otherwise of the term hereby created, or any extension thereof, it will deliver and surrender up to the Lessor said premises in good condition and repair; any damage, deterioration or destruction resulting from ordinary wear and tear, loss by fire, casualty and causes beyond Lessee's control, are excepted.

11. **LIENS.** Lessee will not permit any mechanics, laborers', or materialmen's liens to stand against the demised premises for any labor or material furnished to Lessee or claimed to have been furnished to Lessee in connection with work of any character performed or claimed to have been performed on said premises by or at the direction or sufferance of Lessee, but nothing herein contained shall in any way or anywise prejudice the rights of Lessee to contest to final judgment or decree any such lien. In default of Lessee procuring the discharge of any such lien or contesting such lien as above provided, by bond or any other method, Lessor may without further notice procure the discharge thereof by bonding, payment or otherwise, and all

UNOFFICIAL COPY

Property of Cook County Clerk's Office

costs and expenses to which Lessor may be put in obtaining such discharge shall become due as additional rent upon the next rent day.

12. **INSURANCE.** During the term hereof, Lessee at its own cost and expense shall:

A. Keep all buildings and improvements and equipment on, in or appurtenant to the premises, including all alterations, additions, and improvements insured against loss or damage by fire and all standard extended coverage and flood and water damage.

B. Provide and keep in force the public liability, and boiler insurance policies protecting Lessor and the Lessee against any and all liability and in the amounts of not less than \$500,000.00 in respect to any one accident or disaster and in the amount of not less than \$500,000.00 in respect to injuries to any one person;

C. All premiums and charges for all of said policies shall be paid by Lessee and if Lessee shall fail to make any such payment when due, or carry any such policy, Lessor may, but shall not be obligated to, make such payment or carry such policy, and the amount paid by Lessor, with interest thereof, shall be repaid to Lessor, by Lessee on demand, and all such amounts so repayable together with such interest, shall be considered as an addition to rent payable hereunder, for the collection of which Lessor shall have all of the remedies provided in any other

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

21412934

paragraph herein, or by law provided for the collection of rent. Payment by Lessor of any such premium or the carrying by Lessor of any such policy shall not be deemed to waive or release the default of Lessee with respect thereto;

D. Ten (10) days prior to the expiration of such policy, Lessee shall deliver a binder renewing each such policy, which binder shall provide that at least ten (10) days' written notice of any change in or cancellation thereof shall be given by the insurance company to Lessor. Lessee shall promptly pay the premium for renewal insurance and deliver to Lessor the original policy or certificate thereof and duplicate receipt evidencing payment thereof:

E. Lessee shall not violate or permit to be violated any of the conditions or provisions of any such policy, and Lessee shall so perform and satisfy the requirements of the companies writing such policies that at all times companies of good standing satisfactory to Lessor shall be willing to write and/or continue such insurance.

F. Lessee and Lessor shall cooperate with each other in connection with the collection of any insurance monies that may be due in the event of loss and Lessor shall execute and deliver to Lessee such proofs of loss and other instruments which may be required for the purpose of obtaining the recovery of any such insurance monies;

UNOFFICIAL COPY

Property of Cook County Clerk's Office

G. All policies specified in this paragraph shall cover Lessee, Lessor, and with respect to subparagraph (a) all mortgages of Lessor as their interests may appear.

13. **NO ABATEMENT OF RENT.** The partial destruction of any building on the premises, by fire elements, or other causes shall not in any manner affect this Lease or the rights and obligations of Lessee thereunder and the rent shall not abate, diminish or cease during reconstruction.

14. **DAMAGE OR DESTRUCTION.** If the premises covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held, the amounts paid by any insurance company in pursuance of the contract of insurance to the extent of the indebtedness then remaining unpaid, shall be paid to the Holder of the Mortgage Note, and, at its option, may be applied to the debt or released for the repairing or rebuilding of the premises.

15. **ALCHOLIC BEVERAGES.** Lessee shall not sell any alcoholic liquors or beverages on said premises or permit any person who occupies the same to do so without written consent of Lessor.

16. **CONDEMNATION.** If the demised premises shall be condemned or taken in its entirety for a public or quasi-public use, all awards or compensation therefore shall be paid to and become the property of the Holder of the Mortgage Note, and this Lease and all obligations hereunder shall terminate as of the date of taking. If only a portion of the demised

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

21412934

premises shall be condemned or taken for a public or quasi-public use, any and all awards or compensation arising from such condemnation or taking shall be paid to the Holder of the Mortgage Note, and this Lease shall continue without modification, unless and except that if so much or such portion of the premises be taken that the taking shall materially interfere with the efficient operation of its business by Lessee on the premises, the judgment of the Lessee as to the materiality of such interference being conclusive, then at any time within sixty (60) days after taking of such portion of the premises, Lessee may terminate this Lease by serving upon the Lessor written notice of its intention to do so. In the event this Lease is so terminated, then any and all awards or compensation arising from such condemnation or taking shall be paid to and become the sole property of the Holder of the Mortgage Note and all obligations hereunder shall cease as of the date of termination. Nothing contained herein shall be construed to preclude the Lessee from prosecuting any claim directly against the condemning authority in such condemnation proceedings for loss of business, or depreciation to, damage to, or cost of removal of, or for the value of stock, trade fixtures, furniture and other personal property belonging to the Lessee; provided, however, that no such claim shall diminish or otherwise adversely affect the Lessor's awards.

17. **ASSIGNMENT AND SUBLETTING.** Lessee shall not assign, sublease, pledge or mortgage this Lease or its rights hereunder without first obtaining the prior written consent of Lessor, and shall remain liable for the payment of all rent required to be paid

UNOFFICIAL COPY

Property of Cook County Clerk's Office

hereunder and for the performance of all terms, covenants and conditions herein undertaken by Lessee. Lessee shall not have the right to sublet the operation of or leased premises or any portion thereof, at any time during the term of this Lease without first obtaining the written consent of the Lessor.

18. **HOLDING OVER.** In the event Lessee continues to occupy the premises after the last day of the term hereby created, or after the last day of any extension of said term, and the Lessor elects to accept rent thereafter, a tenancy from month to month only shall be created and not for any longer period without the written concurrence of Lessee.

19. **ABANDONMENT AND RELETTING.** If Lessee shall abandon or vacate said premises, the same may be re-let by Lessor for such rent, and upon such terms as to him may seem fit; and if a sufficient sum shall not be thus realized monthly after paying the expense of such re-letting and collecting, to satisfy the rent hereby reserved, Lessee agrees to satisfy and pay all deficiencies during each month of the remaining period of this Lease.

20. **SUBROGATION WAIVER.** Lessor hereby waives any and all claims against Lessee, its assignees or sub-lessee for damage or destruction of any improvements on the leased premises (whether or not resulting from the fault or negligence of lessee, its assignee or sub-lessee or their agents or employees) which improvements are to be covered by said insurance by Lessee and the parties agrees that said certificate of insurance will recognize this waiver of Lessor by a good and sufficient waiver of subrogation provision, provided, however, that nothing

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

21913334

herein shall be construed as waiving Lessor's right to any insurance proceeds under policies provided by Lessee.

21. RE-ENTRY, ETC. If default be made in the payment of the above rent, or any part thereof, or in any of the covenants herein contained to be kept by the Lessee, and such default shall continue for a period of sixty (60) days, it shall be lawful for Lessor at any time, at his election and without notice to declare said term ended and to reenter said premises or any part thereof, with or without process of law, and to remove Lessee or any persons occupying the same, without prejudice to any remedies which might otherwise be used for arrears of rent, and Lessor shall have a valid and first lien upon all personal property which Lessee owns or may hereafter acquire or have any interest in, whether exempt by law or not, as security for payment of the rent herein reserved.

22. PAYMENT OF FEES. Lessee will pay and discharge all reasonable costs, attorneys' fees and expenses that may be incurred by Lessor in enforcing the covenants and agreements of this Lease; and this Lease and all covenants and agreements herein contained shall be binding upon, apply and inure to the parties hereto and their respective heirs, executors, successors, administrators, and assigns of all parties to this Lease.

23. LESSOR'S TITLE. Lessor's title is, and always shall be, paramount to the title and interest of Lessee, and nothing herein contained shall empower the Lessee to do any act which can or shall encumber the title of the Lessor. Lessee agrees, on reasonable request from Lessor, to subordinate its interest in this Lease to any mortgage which may now or hereafter encumber the demised premises. If Lessee fails to execute such interest of subordination within

UNOFFICIAL COPY

Property of Cook County Clerk's Office

a reasonable time, Lessor is hereby granted a limited Power of Attorney to execute same in name of Lessee. This Lease (and Lessee's interest in all personal property) shall be subject and subordinate to the Mortgage securing the Note or other obligations endorsed for insurance. Nothing contained herein shall relieve the Lessor of any obligations under any Mortgage securing a Note.

24. **DISCLOSURE.** Lessee shall deliver to Lessor at the end of each fiscal year, or more often as requested by Lessor, the books of its operations.

25. **LICENSE.** Lessee at all times shall maintain in force and effect a license from the State of Illinois, to operating a nursing home, and shall at all times employ a duly qualified and licensed nursing home administrator to operate the Home.

UNOFFICIAL COPY

Property of Cook County Clerk's Office

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the date hereinabove set forth.

LA SALLE BANK N.A.
As Trustee under Trust Number 107042-03 and not personally

By: *Debra Edwards*

ATTEST:

Attestation not required by
LaSalle Bank National Association
Bylaws

Secretary

TRUST OFFICER

This instrument is executed by LASALLE BANK National Association, not personally but solely as Trustee, as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee. All the terms, provisions, stipulations, covenants and conditions to be performed by LASALLE BANK National Association are undertaken by it solely as Trustee aforesaid, and not individually and all statements herein made are made in good faith, information and belief and are to be construed accordingly, and no personal liability shall be asserted or be enforceable against LASALLE BANK National Association by reason of any of the terms, provisions, stipulations, covenants and/or statements contained in this instrument.

ALDEN-PRINCETON REHABILITATION AND HEALTH CARE CENTER, INC.

By:

Floyd A. Schlossberg
FLOYD A. SCHLOSSBERG, PRESIDENT

ATTEST:

Joan Carl
JOAN CARL, SECRETARY

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

21412984

LEASE AMENDMENT NO. 1

The following Amendment is to act as an Addendum to a Lease dated September 1, 2000 by and between LA SALLE BANK, N.A., as Successor Trustee to AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under a Trust Agreement dated December 1, 1998 and known as Trust No. 107042-03 (hereinafter "Lessor") and ALDEN - PRINCETON REHABILITATION AND HEALTH CARE CENTER, INC., a corporation created and existing under the laws of the State of Illinois (hereinafter "Lessee").

IT IS HEREBY AGREED upon and understood by and between the parties hereto that the minimum rental payments and responsibilities of the Lessor and Lessee under the terms and conditions of the original Lease are now amended and clarified as follows:

1. BASE RENT

Effective the 1st day of January, 2001, Lessee hereby agrees to pay Lessor monthly Base Rent in advance upon the first day of each month the sum of Sixty-five Thousand Three Hundred Ninety-six (\$65,396) Dollars per month.

However, in no event shall the sum of the monthly Base Rent be less than an amount sufficient to cover the monthly principal and interest due on the mortgage plus the required escrow deposits for replacement reserves, and to take care of necessary maintenance required to be performed by Lessor.

In addition to the Base Rent as set forth above the Real Estate taxes and general insurance premium payments shall remain the responsibility of the Lessee, and required escrow deposits will be funded by Lessee in accordance with the mortgagor requirements and held by the Lessor on behalf of the Lessee.

2. All other terms and conditions of the original Lease shall remain unchanged and in full force and effect.

PRINCETON ASSOCIATES LIMITED PARTNERSHIP,
Sole Beneficiary of LA SALLE BANK, N.A., Trust No.
107042-03

By: 

JOAN CARL, General Partner

ALDEN - PRINCETON REHABILITATION AND
HEALTH CARE CENTER, INC.

By: 

FLOYD A. SCHLOSSBERG, President

UNOFFICIAL COPY

Property of Cook County Clerk's Office

**LEASE AMENDMENT NO. 2
AND
SUBORDINATION AGREEMENT**

THIS LEASE AMENDMENT NO. 2 AND SUBORDINATION AGREEMENT (this "Lease Amendment") is made and entered into as of this 1st day of December, 2002, by and between **LASALLE BANK NATIONAL ASSOCIATION, AS SUCCESSOR TRUSTEE TO AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO**, not personally, but solely as Trustee under Trust Agreement, dated as of December 1, 1988, and known as Trust No. 107042-03 ("Lessor"), and **ALDEN-PRINCETON REHABILITATION AND HEALTH CARE CENTER, INC.**, an Illinois corporation ("Lessee").

WITNESSETH:

WHEREAS, Lessor is the owner of certain real property commonly known as 301 West 69th Street, Chicago, Illinois 60621 (herein sometimes referred to as the "Premises") and on which there is constructed a certain nursing home facility (the "Facility") known as Princeton Nursing Center, FHA Project Nos. 071-43177 and 071-15026.

WHEREAS, Lessor and Lessee previously have executed and entered into that certain Lease, dated September 1, 2000, for the Facility, as amended by a certain Lease Amendment No. 1, dated September 1, 2000 (the "Amendment No. 1") (collectively, the "Lease");

WHEREAS, pursuant to a certain Commitment for Insurance, dated December 12, 2002, from Mary Anderson of the Chicago Multifamily Hub of the Illinois State Office of the U.S. Department of Housing and Urban Development ("HUD") to Cambridge Realty Capital Ltd. Of Illinois ("Lender"), the Lessor has obtained from Lender a new mortgage loan to refinance the existing first mortgage in the anticipated amount of \$7,098,100.00 (the "First Mortgage Loan") to be insured under Section 232 pursuant to Section 223(a)(7) of the National Housing Act, as amended (the "Act");

WHEREAS, pursuant to a certain Commitment for Insurance, dated December 12, 2002, from Mary Anderson of the Chicago Multifamily Hub of the Illinois State Office of HUD to Lender, the Lessor has obtained from Lender a new mortgage loan to refinance the existing second mortgage in the anticipated amount of \$738,400.00 (the "Second Mortgage Loan") to be insured under Section 223(d) pursuant to Section 223(a)(7) of the Act. The First Mortgage Loan and the Second Mortgage Loan shall each be referred to as a "HUD Loan", or collectively, as the "HUD Loans," as the context may require;

WHEREAS, HUD has required an amendment to the Lease as a condition of endorsement of the HUD Loans for insurance;

WHEREAS, the parties hereto currently desire to amend the Lease a) to revise the amount and methodology for calculating rent payable by Lessor to Lessee; and b) to amend certain other terms and conditions of the Lease as hereinafter more particularly set forth.

UNOFFICIAL COPY

Property of Cook County Clerk's Office

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree and amend the Lease in the following respects only:

1. **Integration of This Lease Amendment in the Lease.** The foregoing recitals in this Lease Amendment are hereby incorporated by reference as if set forth fully herein. This Lease Amendment and the Lease shall, for all purposes, be deemed to be one (1) instrument. In the event there arises a conflict between the terms and provisions of this Lease Amendment and the terms and provisions of the Lease, the terms and provisions of this Lease Amendment shall, in all incidents, control, govern and prevail. Except as expressly defined herein, all words, terms and phrases defined in the Lease shall have the same meaning in this Lease Amendment as are ascribed to said words, terms and phrases in the Lease.

2. **Effective Date.** The terms and provisions of this Lease Amendment shall be effective commencing as of December 19, 2002 (the "Effective Date").

3. **Rental.** From and after the Effective Date, Paragraph 3, subparagraphs A, B and C of the Lease, as amended by Amendment No. 1, shall be deemed amended by adding the following new provision at the end thereof:

"Notwithstanding any provision contained herein to the contrary, Lessee shall be obligated to pay and shall pay to Lessor commencing on January 1, 2003 and on the first (1st) day of each month thereafter for so long as the Premises is subject to any mortgage loan insured or held by the U.S. Department of Housing and Urban Development (each, a "HUD Loan" or collectively, the "HUD Loans" as the context may require) an amount ("HUD Rent") which is the greater of (i) Base Rent, plus any Escrows or additional rent due and payable hereunder and (ii) a sum equal to no less than \$81,000.00. Regardless of any other provision, said HUD Rent shall at all times be in an amount (i) sufficient to ensure that the property will be properly maintained, and debt service requirements and other operating expenses will be met, and (ii) sufficient to pay the following monthly obligations to Lender and its successors and assigns as holder of FHA Mortgage Loans No. 071-43177 and 071-15026 or any replacement HUD Loan with respect thereto:

- (a) Mortgage Payment of Principal and Interest;
- (b) Mortgage Insurance Premium Escrow;
- (c) Deposit to Replacement Reserve;
- (d) Insurance Escrows; and
- (e) Real Estate Tax Escrows (if any).

UNOFFICIAL COPY

Property of Cook County Clerk's Office

Lessor shall provide Lessee with written notice of any adjustment in HUD Rent required by HUD or Lender within seven (7) business days following receipt by Lessor of notice of any such adjustment. Thereafter, Lessee shall pay to Lessor any HUD Rent, as so adjusted, due and payable under this Lease, which adjusted payment shall commence as of the first (1st) date of the month following receipt by Lessee of notification of said adjustment as hereinabove provided.

At such time as the Premises are no longer subject to any HUD Loan, Lessee shall be obligated to pay to Lessor Base Rent and such additional rent as may otherwise be required under the Lease, as same may hereafter be amended."

4. **HUD Provisions.** From and after the Effective Date, the Lease shall be deemed amended by added the following provisions as a new Paragraph 26:

"26 HUD LOAN OBLIGATIONS.

- (A) Lessor and Lessee acknowledge that the Premises are now or may hereafter be subject to one or more HUD Loans, including, without limitation, those certain project loans designated by FHA Project Nos: 071-43177 (the "First Mortgage") and 071-15026 (the "Second Mortgage"). In connection therewith, the parties hereby acknowledge that the Premises are subject to the following documents:
- (1) that certain Mortgage, dated as of December 1, 2002, by and between Lessor and Lender (the "First Mortgage");
 - (2) that certain Regulatory Agreement for Multifamily Housing Projects, dated as of December 1, 2002, by and among Lessor, Princeton Associates Limited Partnership, an Illinois limited partnership (the "Beneficiary"), and the U.S. Department of Housing and Urban Development ("HUD" and or the "Commissioner") (the "First HUD Regulatory Agreement");
 - (3) that certain Regulatory Agreement Nursing Homes, dated as of December 1, 2002, by and between Lessee and the Commissioner (the "First Nursing Home Regulatory Agreement");
 - (4) that certain Second Mortgage, dated as of December 1, 2002, executed and delivered by Lessor to Lender (the "Second Mortgage");
 - (5) that certain Regulatory Agreement for Multifamily Projects, dated as of December 1, 2002, by and among Lessor, Beneficiary and the Commissioner (the "Second HUD Regulatory Agreement"); and
 - (6) that certain Second Regulatory Agreement Nursing Homes, dated as of December 1, 2002, by and between Lessee and the

UNOFFICIAL COPY

Property of Cook County Clerk's Office

Commissioner (the "Second Nursing Home Regulatory Agreement");

To the extent that any provisions of the Lease, as hereby amended, conflict or are inconsistent with the terms and provisions of the First Mortgage, the First HUD Regulatory Agreement, the First Nursing Home Regulatory Agreement, the Second Mortgage, the Second HUD Regulatory Agreement and/or the Second Nursing Home Regulatory Agreement (collectively, the "HUD Loan Documents"), such Loan Document or Loan Documents, as the case may be, shall control.

(B) In connection with the HUD Loans, the parties hereby acknowledge that the following shall apply for so long as the Premises are subject to any such HUD Loan:

- (1) Lessor hereby agrees that Lessor is subject to the restrictions on the use of surplus cash as defined in the First or Second HUD Regulatory Agreement.
- (2) Lessee and Lessor hereby agree and acknowledge that the Lease, as amended, is in all respects subject to and subordinate to any and all documents and agreements executed by any party hereto, HUD or the Lender in connection with any HUD Loan, the National Housing Act and the regulations issued pursuant thereto by HUD, and that so long as the HUD mortgage insurance contract is in force between HUD and the Lender with respect to any HUD Loan, the provisions of such documents and of applicable HUD regulations shall take precedence in the event of any conflict with the provisions of the Lease.
- (3) Lessee shall maintain the Facility in good repair and condition.
- (4) The Lessor shall not reduce or expand, allow to be reduced or expanded, or cause the expansion or reduction of the bed capacity of the Facility without the consent of HUD."

5. **Severability.** If any provision of this Lease Amendment or the application thereof to any person or circumstance is or shall be deemed illegal, invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect and this Lease Amendment shall be interpreted as if such legal, invalid or unenforceable provision did not exist herein.

6. **Miscellaneous.**

- a. Each provision of the Lease and this Lease Amendment shall extend to and shall bind and inure to the benefit of Lessor and Lessee, their respective heirs, legal representatives, successors and assigns.

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY 21412984

- b. Except to the extent expressly stated or modified herein, all other terms and conditions of the Lease shall remain and continue in full force and effect as originally written and shall apply to this Lease Amendment, the Premises, the Facility and the Lease as if set forth in their entirety herein.
- c. Time is of the essence of this Lease Amendment and the Lease and each provision hereof.
- d. This Lease Amendment may be executed in counterparts, each of which shall be deemed to be an original and all of which shall together constitute one and the same instrument.
- e. This Lease Amendment and the Lease contain the entire agreement between Lessor and Lessee with respect to Lessee's leasing of the Premises and the Facility. No prior agreements or understandings with respect to the Premises and the Facility shall be valid or of any force or effect.

Property of Cook County Clerk's Office

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY 21412984

IN WITNESS WHEREOF, the parties hereto have executed this Lease Amendment as of the date first written above.

LESSOR:

SUBJECT TO THE EXCULPATORY PROVISIONS ATTACHED HERETO AND MADE A PART HEREOF

LASALLE BANK NATIONAL ASSOCIATION, AS SUCCESSOR TRUSTEE TO AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee under Trust Agreement, dated as of December 1, 1988, and known as Trust No. 107042-03

By: Nancy A. Carlin
Name: _____
Title: _____

Property of Cook County Clerk's Office

UNOFFICIAL COPY

Property of Cook County Clerk's Office

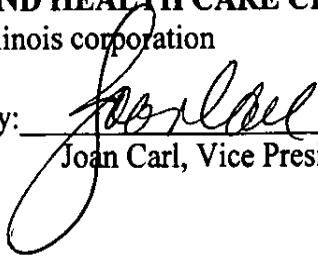
UNOFFICIAL COPY

21.412984

LESSEE:

**ALDEN-PRINCETON REHABILITATION
AND HEALTH CARE CENTER, INC., an
Illinois corporation**

By: _____


Joan Carl, Vice President

Property of Cook County Clerk's Office

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

22412384

**EXCULPATORY PROVISIONS FOR
PRINCETON NURSING CENTER
FEDERAL HOUSING ADMINISTRATION PROJECT NOS. 071-43177 AND 071-15026**

This document is executed by LASALLE BANK NATIONAL ASSOCIATION, AS SUCCESSOR TRUSTEE TO AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee under Trust Agreement, dated as of December 1, 1988, and known as Trust No. 107042-03 in the exercise of the power and authority conferred upon and vested in said Trustee as such, and it is expressly understood and agreed that nothing in this document contained shall be construed as creating any monetary liability on said Trustee personally, to pay any indebtedness occurring thereunder, or any personal monetary liability on said Trustee with respect to the performance of any warranty or covenant, either expressed or implied, in said document (all such personal liability, if any, being expressly waived by the parties hereto and by every person now or hereafter claiming any right or security thereunder) except that the said Trustee shall be liable for funds or property of the project coming into its hand, which by the Regulatory Amendment for Multifamily Housing Projects, it is not entitled to retain.

UNOFFICIAL COPY

Property of Cook County Clerk's Office